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Author:

Rappaport, Murray

Title:

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wines and liquors

Place:

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Date:

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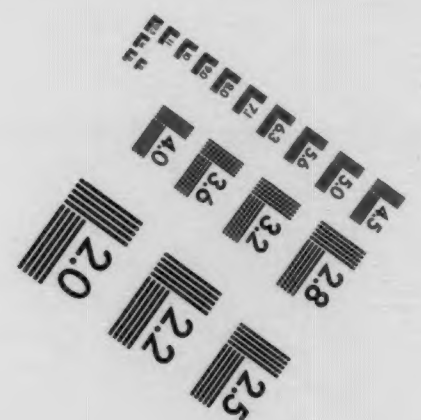
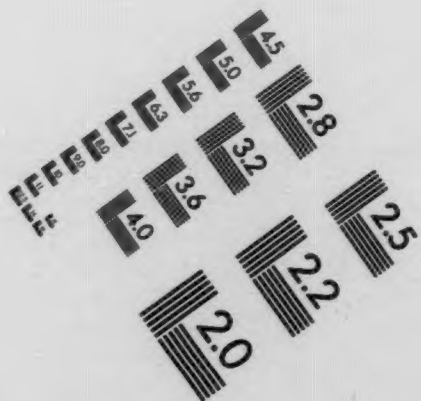
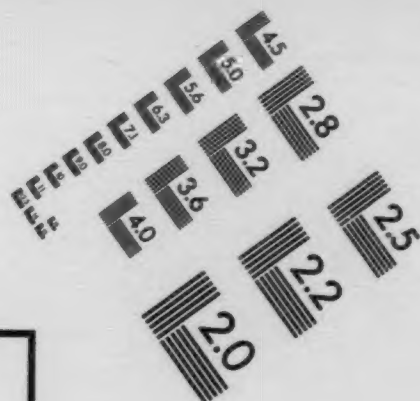
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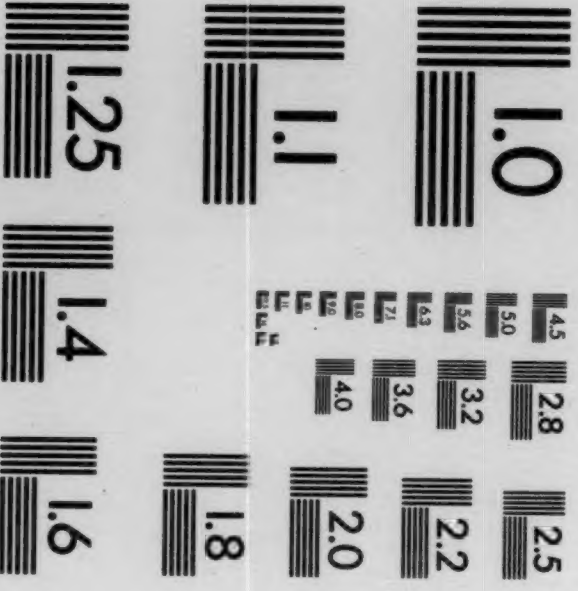
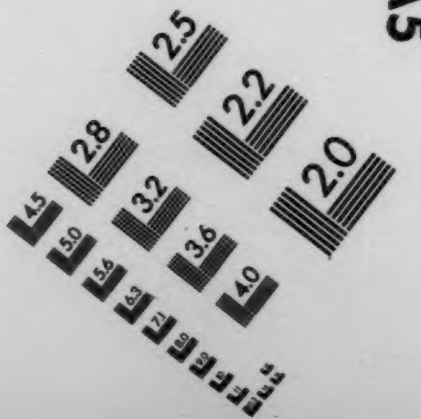


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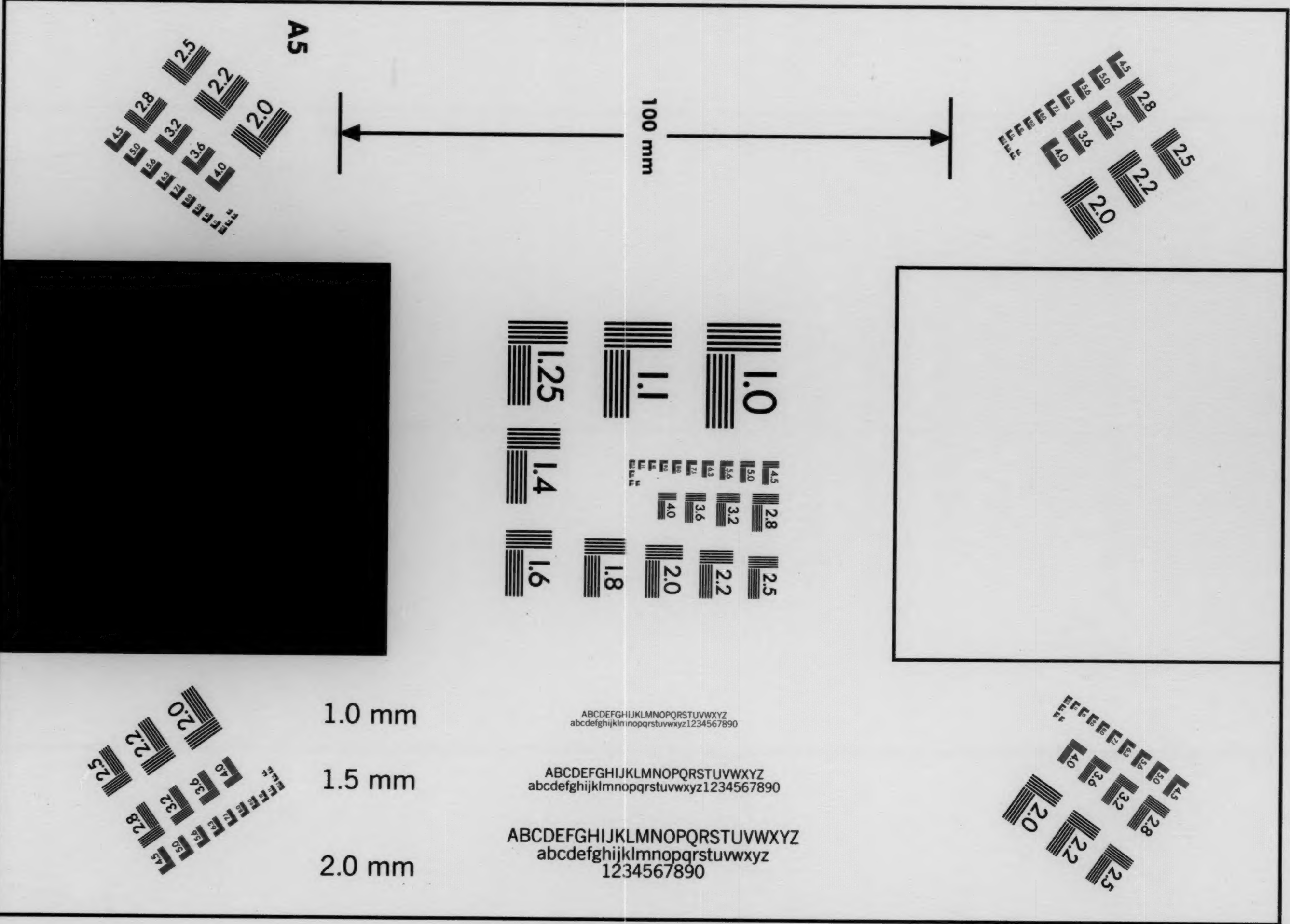
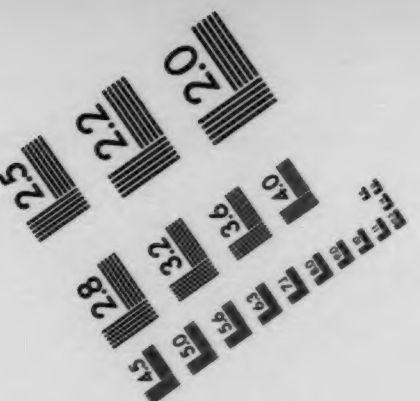
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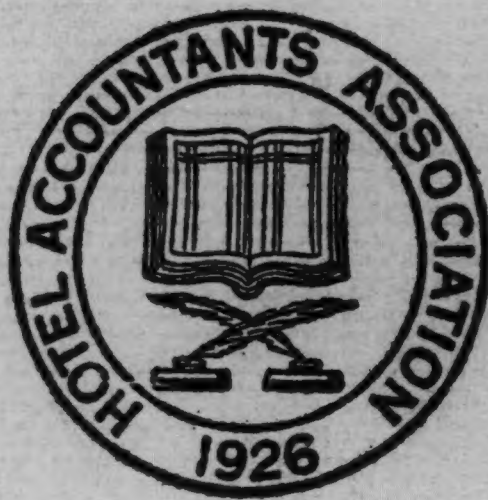
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**ACCOUNTING CONTROL
OF
WINES AND LIQUORS**

**ADDRESS DELIVERED
BEFORE THE
HOTEL ACCOUNTANTS ASSOCIATION
of
NEW YORK CITY**



By
MURRAY RAPPAPORT
Member of the Firm of
HARRIS, KERR, FORSTER & COMPANY
ACCOUNTANTS AND AUDITORS

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INTRODUCTION

By

LOUIS A. BRUTY

*President of the Hotel Accountants Association
of New York City*

GUESTS AND FELLOW MEMBERS OF THE HOTEL ACCOUNTANTS ASSOCIATION:

Invitations to attend the meeting this evening were sent to a number of hotel men and their accountants who are not members of this Association. To those who responded to the invitation, I want to extend a very cordial welcome.

Within a comparatively few days a sufficient number of States will have voted to assure the repeal of the Eighteenth Amendment, and between now and that time hotel men will have a number of perplexing problems to consider and solve. There is the matter of allocating suitable space for the storage and sale of wines and liquors; and the matter of making over and equipping the various spaces so allocated. Then there is the question of determining what brands of wines and liquors are to be carried, and the many details of service incident to the sale of these commodities. And finally there is the matter of providing the necessary funds to put these things into effect.

Then when the time comes to throw open our doors to the public for the sale of wines and liquors, the hotel men have the problem of controlling those wines and liquors by seeing that they eventually all find their way from the supplier through the receiving clerk to the wine cellars, and from there to the various service bars and finally to the guest, and that all these supplies are eventually converted into cash at predetermined selling prices. I know that the matter of proper control methods is something in which hotel accountants are particularly interested, and tonight we have with us Mr. Murray Rappaport, a member of the firm of Harris, Kerr, Forster & Company, who has kindly consented to talk to us on the important and urgent subject of accounting control of wines and liquors.

Ladies and Gentlemen, it is my great pleasure to present Mr. Rappaport.

ADDRESS BY MURRAY RAPPAPORT

Member of the Firm of

HARRIS, KERR, FORSTER & COMPANY

It is indeed a great pleasure to come here tonight and address you on a subject of vital importance to the hotel industry and one which will play a very important part in the finances of hotels. While many of us have been connected with hotel operations in the capacity of accountants for a number of years, yet I dare say the majority have never had the actual control of wines and liquors under their jurisdiction. It therefore becomes imperative, in view of the imminent repeal of the Eighteenth Amendment, that we all familiarize ourselves with an adequate system of control and see to it that the method of operation is fully understood before the sale of wines and liquors becomes legal. With this thought in mind, I was very glad to accept your President's invitation to address you on the subject of the control of wines and liquors.

HANDLING AND SERVICING

Hotels proposing to serve wines, spirituous liquors, beer and other beverages must immediately make the necessary arrangements to handle properly these commodities from a storage and service point of view. I am not attempting in this paper to give the various methods of handling and serving wines and liquors, but in order to show how technical and important it is that they be handled properly, I mention a few points in connection therewith:

The bins in the Cellar should be made so that the floor of each contains a specified number of bottles and no more, so that counting can be facilitated;

Barreled wines should rest a sufficient length of time after receipt in the Wine Cellar before being bottled;

Bottled wines should rest for at least two weeks after receipt in order to allow for settlement and acclimatization;

Bottles should be handled as little as possible after being issued from the Wine Cellar, and care should be taken with red wines that the bottles are not shaken and the settlement disturbed;

Champagnes and white wines should be kept in lower shelves or bins;

Red wines should be kept in upper shelves or bins;

Barreled wines age better below ground;

All bottled wines should be placed in bins and the bottles laid flat so that the liquid touches the cork;

Barreled whiskeys age better when placed on racks;

Bottled spirits (whiskeys, brandies, liqueurs) should be placed in bins standing up so that the liquid does not touch the cork;

The temperature of the Wine Cellar should be about 55° and the Cellar should be well ventilated;

The greatest care must be exercised in the selection of corks when bottling is done on the premises, as leaky corks will result in stale wines and reduce the alcoholic content of the whiskeys.

While handling and service are certainly most important considerations, it is equally important to so control the purchase and sale of these commodities that the proper return will be obtained.

POTENTIAL PROFITS SAFEGUARDED

After the repeal of the Eighteenth Amendment, there will be large sums of money either made or lost in the Beverage Department. I say "lost" advisedly, because potential profits which are not realized certainly represent money lost. Liquor stocks are liquid in more ways than one, and much of it may trickle through the fingers of those who handle it. If the

department is to be operated in a loose, inefficient manner, the results will be disastrous; if, on the other hand, even an ordinary degree of care is exercised in proper control methods, adequate operating profits will be the reward.

The Wine Cellar has within its four walls the most valuable products of any similar space in the hotel. It is comparable to a vault in which gold coins or currency are kept, for each of the bottles on the shelves in the Wine Cellar represents a sum of money. One would be much more careful of wines and liquors if he considered these products in terms of the actual money represented.

Our firm had installed controls over the purchase, storage and sale of wines and liquors many years before the enactment of the Eighteenth Amendment. However, it is surprising to find how little written information is available on this subject, even at the same hotels that formerly served liquor.

It is, of course, obvious that no hard and fast system can be laid down to cover every possible requirement. Methods of control must of necessity vary in different types of hotels due to the various classes of service and physical conditions. I have, therefore, endeavored to outline the fundamental principles of a control system without, however, going into great detail on any of the separate features and problems. In view of the different classes of service, I am dividing my comments under the headings of "Wine Cellar," "Service Bar," "Public Bar," "Banquets" and "Accounting Department." At the present time it is not known what the legal regulations as to Public Bars will be, but, nevertheless, I am including this phase in my remarks so that that contingency will be covered.

WINE CELLAR

The position of Wine Steward will be one of extreme importance and will rank high among the department heads. He must not only be possessed of technical knowledge, but also should have the requisite executive ability. While the set up of the organization of the Beverage Department will vary in different hotels, it is my personal opinion that the responsi-

bility for the administration of this department should rest with the Wine Steward. This responsibility should extend over the Wine Cellar, the Service Bars and Public Bars, extending up to the point of service. The Wine Steward should have charge of employing and discharging employees in this department, as he will be responsible for their functioning to produce the results and profits expected.

PURCHASES, RECEIPTS AND STORAGE

All purchases should be made by the Manager in conjunction with the Wine Steward on approved written purchase orders. The receipt of all wines and liquors should be under the supervision of the Wine Steward or his assistant, should be segregated from the foodstuffs, and a separate receiving record maintained. Upon receipt of the merchandise, it should be checked against the delivery slip or invoice and placed in the proper bin or space in the Wine Cellar. As an aid to identification, all items should be assigned numbers and these numbers should be on the respective bins. Further, these same numbers should appear on the wine lists to facilitate ordering by patrons and fulfillment of the orders by waiters. Bulk goods should also be given numbers or symbols. After the invoice or delivery ticket has been approved by the Wine Steward, it should be forwarded to the Accounting Department where the record thereof will be made.

The Wine Steward, for his own purpose of control and protection, should keep a perpetual inventory record of all items received in the Wine Cellar. This record will be compiled from the actual deliveries of merchandise and the issues thereof to the respective selling stations. For this purpose, either a book record or cards carried in the respective bins would be acceptable. Such a record will contain information showing the item, date of receipt, quantity received, amount issued, balance on hand, and other pertinent data regarding dealer, price paid, amount and date ordered, condition of stock, etc.

Practically every hotel, and especially the larger ones, will buy wines and liquors in bulk to be bottled and labeled in their own Wine Cellars. Upon receipt of all spirits in bulk, the contents should be measured by hydrometer to verify the alcoholic content, and also measured to ascertain the quantity. Thereafter a control must be exercised over the original commodity while it is still in bulk, and over the transition from the bulk quantity to the bottled product.

In connection with bulk quantities and the bottling thereof, it must be kept in mind that (1) spirituous liquors evaporate, and (2) through the process of rectifying, the number of bottles obtained is in excess of the original bulk quantity. To control the foregoing, the following procedure is advocated:

Bulk spirits should be covered with damp cloths to reduce loss by evaporation. Frequent tests should be made by the Wine Steward and the Accounting Department to see that the proper quantity and proof of the commodity is in the container, and independent reports thereof made by the Wine Steward and Chief Accountant.

While the bulk commodity is kept in the original container, the inventory control is simple and is handled in the same manner as the bottle inventory.

When the bulk quantity is to be bottled, upon the determination of the proof desired, it will be possible to ascertain the number of bottles that are to be obtained. Thereupon the Wine Steward should prepare a report showing the details of the particular bottling operation and the necessary entries will be made in the perpetual inventory records transferring the stock from bulk to bottled goods, after which the control will become operative on the bottle basis.

ISSUES

It must be made a strict rule that issues from the Wine Cellar are to be made only by units, on approved requisitions. These requisitions are to be made out in triplicate, the original and duplicate of which are to be signed upon receipt of the merchandise by the receiving station. The original requisition is to be forwarded to the Accounting Department, the duplicate

retained in the Wine Cellar (where it may be used for inventory record purposes) and the triplicate kept by the person in charge of the receiving station.

While the foregoing procedure with respect to requisitions is also to be carried out by the Banquet Department, the following is one of the methods affording added protection in the control of this class of service. Upon receipt of the Banquet requisition in the Wine Cellar, the Steward will proceed to assemble the order, and then paste a label or attach a tag on each bottle, showing the date of issuance, the room to which issued, and his initials. When this has been done, the stock will be delivered to the Banquet Manager, who will sign the receipt for the order.

After each banquet, the full and empty bottles originally issued (bearing the labels or tags as above described) should be assembled and an inventory taken thereof by the Wine Steward or his assistant and the Banquet Manager. In making this count, it is not necessary that the empty bottles be transported back to the Wine Cellar, as the count of empty and full bottles can be made on the spot. Thereupon, a return or credit memo should be made up, showing the name of the banquet, the date of requisition, total amount issued, full bottles returned, and the total accounted for. It is, of course, recognized that for various causes all empty bottles may not be available, but the count of them is important as a moral check and the essential point is that the proper charge is made for all bottles used. The return or credit memo for full bottles returned should be made out in triplicate and each copy signed by both the Wine Steward and the Banquet Manager. The original should be sent to the Accounting Department, the duplicate retained by the Wine Steward, and the triplicate by the Banquet Manager.

The Wine Steward should make daily test inventories of as many bins as possible, and any discrepancies as between the quantity on hand and that called for by his perpetual inventory should immediately be investigated by him. He should also send to the Accountant a report showing losses resulting from leaky, spoiled or broken bottles, so that the Wine Cellar stock will be given the proper credits.

SERVICE BAR

The head bartender at the Service Bar should be supplied with a chart showing how many unit sales he is expected to obtain from each container, as these units priced at selling prices will constitute the charge against the Bar for the purpose of a selling price control. This, however, does not apply to fresh fruits, fruit juices, milk, eggs, siphons of water, etc., which will be handled in the nature of overhead expenses, and upon which no specific control can be exercised except that requisitions for undue quantities should be investigated.

The Service Bar should be stocked with a standard quantity of bottled goods. At closing time each night, the person in charge will take inventory to determine the daily consumption in order to bring the stock back to the standard. It should be the duty of the incoming bartender to see that he starts the day with the standard stock.

For purposes of the daily inventory, a combination inventory and requisition printed form should be used, containing the items of stock and the standard set for each with, of course, due allowance for the addition of other items. This form should provide space for the filling in of the inventory and the extension of the quantities necessary to bring the stock back to standard, and a space for the pricing thereof for purposes of the selling price control. This printed form would be desirable in triplicate, so that one copy would be retained by the Bar, one copy used by the Wine Cellar as the requisition form for the issuance of the replacement stock, and the other copy used by the Accounting Department for purposes of the selling price control. This form should require the signatures of the head barman, the storekeeper issuing the stock, and the bartender receiving the stock, as well as the approval of the Wine Steward.

The restocking of the Service Bar in order to bring it up to standard is, of course, not exact. Some open goods, such as whiskeys, may show on hand a half-bottle, and the attendant will requisition a full bottle. In another case, a bottle may show only a few drinks sold and he may not requisition any of that stock for that day. The point is that the Service Bar should replenish to a practical standard quantity, not exactly so.

In view of the foregoing, I would recommend that a standard practice be inaugurated whereby requisitions should be made only after a full bottle has been sold. If it were not for the foregoing condition of partly consumed bottles, it would follow that the daily issues would equal the daily consumption and this, priced at selling price, would be equal to the daily sales, which would be agreed in the Accounting Department. However, if the requisitions from the Wine Cellar are made only upon the sale of the full bottle, the daily sales will always show over and short on this account which, however, should not be excessive. It will probably be found that the overages and shortages will balance out fairly closely from day to day. The main reason for advocating requisitioning only when the bottle has been entirely sold rather than requisitioning for partly consumed bottles, is that if the latter practice were permitted it wouldn't be very long before the standard supply were increased.

As an additional check on supplies sold from the Service Bar, the restaurant checks should be analyzed each day to determine the bottled goods sold, this for the purpose of locating any shortage that may occur.

It will be found most advisable for the Service Bar to have a regular checking machine, the bartenders charging all orders served on the waiters' checks with a differently colored ink from that used for food or cigar sales. Where the volume of business is large a separate checker may be used for wines and liquors.

QUANTITY SALES

The management should decide what reduction, if any, it will make on bottled sales or larger quantities as compared with the sales price of the unit drinks contained in the individual bottles. If a reduction is to be made, it will be necessary for the Service Bar handling the sale to forward to the Accounting Department a detailed record thereof so that the Bar will be given credit for the sale as between the retail selling price and the quantity sales price.

As an added precaution to the hotel, when bottled sales are

made through the Service Bar, it might be considered that the waiter sign a special slip showing the date and the article purchased. This check would then be forwarded to the Accounting Department and would act as a voucher in substantiation of the bartender's report of bottled sales.

When there are large quantity sales, they may be made directly out of the Wine Cellar, in which case the proper sales check will be made and the quantity will be treated as an issue out of the Wine Cellar stock.

PUBLIC BAR

The control of the Public Bar (if any) will take exactly the same form as previously outlined for the Service Bar, with the exception that instead of the bartenders charging their sales on restaurant checks, the Public Bar will be provided with a cash register that will throw out a check showing the total amount of the sale. Payment of the check may be made as follows:

- (a) Cash paid to a cashier
- (b) Cash paid to the bartender
- (c) Checks signed by house guests

I do not particularly advocate that bartenders take cash, and feel that the signing of bar checks should be discouraged as much as possible in Public Bars. Where cashiers are employed, the usual controls as between the register readings and the cash receipts should be operated.

Regardless of whether the bartender or a cashier receives the cash, a locked box with a slot should be provided wherein should be deposited all checks as they are paid; often this slot is on the flat top of the cashier's desk, the checks dropping into a locked drawer beneath. This is to restrict the old practice, which may be revived, of using the same check more than once.

Some hotels may find it more advisable, even in the Public Bar, to use a regular restaurant check whereon the bartender would stamp the amount of sale by the checking machine. If it is found practicable to use such checks in the same manner as in the Service Bar, it would be possible more closely to allocate shortages by an analysis of the sales by the Accounting Department.

The cash register readings and/or checks representing the daily sales should be reconciled with the daily requisitions, taking into consideration the overages and shortages as outlined under the Service Bar.

BANQUETS

All requirements for banquets must be made out by the Banquet Manager, using separate sets of requisitions for each banquet. The requisitions should show, aside from the date and time, the room in which the banquet is to be served and to whom the charge is to be made. The procedure with respect to obtaining the supply called for by the requisition from the Wine Cellar and the subsequent return of bottles, full and empty, at the end of the banquet, has been previously outlined under the Wine Cellar.

For banquets where cocktails are to be served, all ingredients therefor should be requisitioned from the Wine Cellar in bottle units, and the cocktails prepared in the Banquet Department under the supervision of the Wine Steward or Head Bartender to insure that the proper percentages of the various ingredients are used.

The Banquet Manager should see to it that returns to the Wine Cellar consist of all unused liquor. All opened bottles should be charged in full to the banquet, with extreme care taken to see that they are returned to the Wine Cellar.

While the control of the banquet business may appear to be somewhat elaborate, yet I again wish to stress the fact that, due to the quantity of wines, liquors, etc., involved, the employment of an extra person or two in the control of the banquet business is very negligible when considered in comparison with the discrepancies and losses which will certainly occur if the proper precautions are not taken. I know for a certainty that in the "good old days" patrons were very often charged for champagnes and other wines which had not been served to them. While the hotel might not have been the loser, yet it resulted in ill will. This is especially important at the smaller banquets, where there is a possibility of the committee knowing exactly how many bottles had been consumed.

ACCOUNTING DEPARTMENT

The control of liquor sales from the standpoint of determining that the hotel is receiving the proper return for all merchandise should be maintained by the Accounting Department, either in the Accounting Department or in some convenient location. Always, however, this control should be operated by the Accounting Department personnel. Aside from controlling the sales, a control should also be exercised over the stock in the Wine Cellar. The following is an outline of the procedure to be followed:

BOOKKEEPING PROCEDURE

A perpetual inventory record should be kept either in bound book form or on cards. A separate sheet or card should be devoted to each brand, size and vintage, and the number given thereto should correspond to the bin number and the item number appearing on the wine list. This record may be similar to, but independent of, the perpetual inventory record outlined for the Wine Cellar, and, as mentioned there, will show item, date of receipt, quantity received, amount issued, balance on hand, dealer, price paid, amount and date ordered, etc. But in addition to the above, space should be provided to show the designation of the issues from the Wine Cellar to the respective selling units. The perpetual inventory record will be compiled from approved invoices, signed requisitions, return memos, credits for spoilage, breakages, etc. The requisitions should be posted by brands and quantities under the Wine Cellar as a credit thereto, and in turn be charged against the Service Bar, Public Bar, or Banquets. Any returns to the Wine Cellar will be handled in the reverse manner, namely, charged to the Wine Cellar and credited to the original receiving station.

The foregoing procedure will bring out the balance which should be on hand in the Wine Cellar, and the total of the charges in quantities by brands against the respective receiving stations.

At the end of each month, a complete physical inventory of the stock in the Wine Cellar should be taken by the Chief Accountant and the Wine Steward and the stock priced at cost

for accounting purposes. In the same manner, the Chief Accountant, Wine Steward and the respective head bartenders should take the inventories in the different bars which should be priced both at cost and selling price; the cost value to be recorded in the accounting records to arrive at the cost of sales; the sales value to be used as part of the selling price control.

At frequent intervals, the Accounting Department should make actual inventory tests of various bins to see that the quantities as called for by the perpetual inventory record are actually in the Wine Cellar. In the case of the Service and Public Bars, frequent tests should be made to see that the standard stock is being carried, for, without such tests, it is not possible to know whether the standard is being adhered to.

It is obviously impracticable and almost impossible to maintain a perpetual inventory control over the wines and liquors after their issuance from the Wine Cellar. The control from this point should therefore be in the form of a money control, which is commonly known as the "retail selling price control." This control should be operated on a daily and monthly basis.

The daily selling price control consists of proving the sales for each day, with the value at selling price of the issues from the Wine Cellar to the respective selling stations. It is, of course, recognized that this proof will not be exact due to the conditions already mentioned as to the partly sold bottles at the bar, the use for mixed drinks of ingredients other than wines and liquors, and minor overages and shortages which are bound to occur. As previously mentioned under the bars, a standard should be set for the number of drinks to be obtained from each bottle and this same standard should be used in computing the selling price of the contents of each bottle for purposes of the selling price control. Inasmuch as some bartenders will obtain more drinks than the standard set, overages should result therefrom; on the other hand, there is also the matter of free set-ups, etc., depending upon the policy of the particular bar. Also overages may be expected from mixed drinks as the price thereof will undoubtedly be greater than the selling price of the component ingredients. The main con-

sideration with respect to overages and shortages in this daily proof should be whether or not they are excessive in the light of the particular conditions developed as a matter of experience in each hotel. Obviously, large discrepancies will require investigation by the Accounting Department.

At the end of each month, the Accounting Department should prepare a summary of the selling price control for the month. This summary should start with the actual issues from the Wine Cellar which, as previously mentioned in connection with the perpetual inventory records, have been accumulated for each selling station by quantities and brands and priced at the unit selling prices as discussed under the daily proof. These quantities are, of course, the net issues after crediting returns to the Wine Cellar. These net issues from the Wine Cellar to the various service stations valued at the retail selling price added to the inventories at the beginning of the month which are priced at the same unit selling price, represent the total accountability. This accountability should be reduced by the physical inventory at the end of the month, priced at retail value, and the resulting balance should be compared with the actual sales. The difference from the actual sales should be further accounted for by allowances for bulk quantities or bottled sales at prices lower than the standard unit selling price, and any other special factors which may have occurred, all of which should be supported by written and approved memoranda. After applying these memoranda explaining the difference, the net result is the overage or shortage of the retail selling price control. As explained under the daily proof, if this overage or shortage is excessive in view of the experience of each hotel, it requires investigation and explanation.

If the selling prices for the same items vary in different locations or rooms in the hotel, this factor will also have to be considered in proving the sales. The amount of differential can be computed from an analysis of the sales checks from the respective rooms. An analysis of the bottle sales may also be an aid in locating shortages disclosed by the selling price control.

Of course, the determination of a general percentage of

gross profit based on cost or on sales is a test of operating efficiency. But this, after all, is only a test and is not, in itself, sufficient without further control. If the retail selling price control is properly operated, the realization of the expected gross profit will be automatically assured.

It will be observed that I have not advocated the application of a selling price control to the Wine Cellar but, rather, a perpetual inventory control. However, if it is desired to do so, a selling price control could be operated over the Wine Cellar, simply by pricing all purchases at retail selling price. Even if this were done, I do not, however, feel that the perpetual inventory control could be safely replaced thereby.

As stated under the Service Bar, in order to help in locating shortages, the restaurant checks should be analyzed for bottled sales and a record thereof made, taking into consideration the reduced sales price, if any, on the bottled sales.

Aside from using the reports of corky and leaky bottles for record in the perpetual inventory, it should be one of the accountant's chief duties in controlling the stock to actually see that these reports are authentic, and this should be done by an inspection of the spoiled stock. It would also be very advisable to prepare a monthly report showing complete data of losses by spoilage, breakage, etc., as, before hotels are operating efficiently in this department, it is quite likely that the losses resulting from improper handling and storage will be considerable. Thus, the proper control will be doubly imperative at the outset, as it may disclose inexperienced employees and improper facilities.

Where there is a deposit on containers, this factor will, of course, have to be taken into consideration and properly handled by the Accounting Department, but I do not feel that this requires further explanation here. Also, there will be problems in connection with the treatment of the various taxes which will undoubtedly be levied on the liquor business. Most of these taxes will be included in the invoiced cost of the liquors, and others will be in the form of fixed State and Federal licenses. There does not seem to be any point in discussing the

matter further until definite knowledge is available as to the actual taxes.

After the organization of the Beverage Department has been completed, it would be well to consider bonding the employees who will have the handling of the stock or cash connected therewith.

I would like to stress the importance of using separate statements for the Food and Beverage Departments, as it is expected that the Beverage Department will be highly profitable and the Food Department result should not be permitted to hide behind the Beverage Department profit.

UNIFORM SCHEDULES

As most of you know, there was considerable discussion regarding a separate schedule for beverages in the new Uniform System of Accounts, and I am glad to say that it was arranged to include this separate schedule. I know that we all hoped that there would be need for such a statement, and our wish now seems certain of fulfillment. The Beverage Department statement can be elaborated upon to meet the needs of the wine and liquor sales. The general ledger accounts will follow the form of this statement and do not require detailed discussion.

The use of separate departmental statements will entail segregation of the expenses. Direct expenses will, of course, be charged to the proper department, and other wages and expenses can be allocated on some uniform basis. This might very well be the subject for a discussion by the Association's Committee for the Uniform System of Accounts. The use of separate statements for these two departments will also enable a close study of the problems connected with each, but will not preclude obtaining a complete view of both departments, because the figures can be readily combined.

I want to make it clear, before I close, that I have not attempted to cover every contingency from the standpoint of control, and there will be any number of individual problems that accountants will have to deal with in accordance with their particular situations.

CONCLUSION

I am afraid I have made a dry subject out of what is undoubtedly a wet object, and if you become as dry listening to me as I have become during my talk, the chances are that the CONTROL of liquors in the personal sense may undergo a test immediately.

It has given me a great deal of pleasure to address you tonight, especially in view of the timeliness of this subject and its importance to the hotel industry. I hope that a full discussion will follow wherein everyone will bring up his individual problems and questions, as only by so doing can the fullest information on this subject be obtained.

NEW YORK, N. Y.

November 2, 1933.

Since the foregoing paper was delivered, the repeal of the Eighteenth Amendment has become definite. At the present time, the authorities in the various States are formulating rules and regulations pertaining to the sale of wines and liquors. In many States, it is probable that public bars will not be permitted. The elimination of the public bar or other features will not, however, change the principles of the control system outlined herein.

As the sale of wines and liquors will become legal on December 5th, it will be essential that an adequate system of control be in readiness by that date. In view of the fact that proper forms are necessary to carry out a system of control, the suggested forms outlined herein have been prepared and are included for the guidance of those who wish to use this system. These forms have been designed to cover the basic principles outlined in the foregoing address, and can be modified to meet individual needs. Also, all of these forms will not be necessary for each operation, particularly those of a smaller type. The following is a summary of the forms illustrated:

- | | |
|-------------------|--|
| Form No. W.L. 1 | Purchase Order. |
| Form No. W.L. 2 | Record of Merchandise Received. |
| Form No. W.L. 3 | Stock Record—Perpetual Inventory. |
| Form No. W.L. 4 | Bin Card—Perpetual Inventory. |
| Form No. W.L. 5 | Daily Inventory, Requisition and Issue. |
| Form No. W.L. 6 | Banquet Requisition for Wines and Liquors. |
| Form No. W.L. 6-A | Banquet Wine and Liquor Return List. |
| Form No. W.L. 7 | Daily Summary of Banquet Wine and Liquor Sales. |
| Form No. W.L. 8 | Wine Steward's Daily Report of Tests, Shrinkage, Leakage and Broken Merchandise. |
| Form No. W.L. 9 | Daily Report of Full Bottle Sales. |
| Form No. W.L. 10 | Certificate of Full Bottle Sale. |
| Form No. W.L. 11 | Daily Report of Voids and Returns. |
| Form No. W.L. 12 | Kitchen Requisition for Cooking Wines, etc. |
| Form No. W.L. 13 | Wine Bottling Operation. |
| Form No. W.L. 14 | Spirits Bottling Operation. |
| Form No. W.L. 15 | Daily Reconciliation of Wine and Liquor Sales. |
| Form No. W.L. 16 | Daily Summary of Wine and Liquor Sales. |
| Form No. W.L. 17 | Summary of Sales and Inventory Control—Monthly. |
| Form No. W.L. 18 | Inventory Books (stock forms). |

No _____

THE

CERTIFICATE OF FULL BOTTLE SALE

Service Station No. _____ Date _____

List No	DESCRIPTION	Quantity	Unit Price	Amount
	TOTAL			

signed by

Barmen

This Certificate must accompany the Daily Report of Full Bottle Sales - Form No W.L. 9

H.K.F. & CO Form No. W.L. 11		<h1 style="margin: 0;">HOTEL</h1>			No. _____		
<h2 style="margin: 0;">DAILY REPORT OF VOIDS and RETURNS</h2>							
Service Station No. _____				Date _____			
ITEM NO.	Check No.	DESCRIPTION	Quantity	Unit Price	Amount	Reason	
TOTAL							

.....

Checker or Head Barman

.....

Returned To

.....

Maitre d'Hotel or Headwaiter

.....

Wine Steward

This Copy to Accountant

This form in triplicate. Duplicate to Wine Steward. Triplicate to Service Station.

HOTEL

DAILY SUMMARY OF WINE AND LIQUOR SALES

Data

DEPARTMENT (Except Special Function)	TO - DAY		TO - DATE		SPECIAL FUNCTIONS (List Separately)	To-DAY	TOTAL TO DATE	
	This Month	Last Month	THIS YEAR 19.....	19.....			THIS YEAR Last Month	19.....
Main Dining Room								
Roof Garden								
Room Service								
Coffee Shop								
Coffee Shop Counter								
Fountain Room								
Banquet a'la Carte								
			</					

HOTEL

SUMMARY OF SALES & INVENTORY CONTROL

Month of

	Main Service Bar		Public Bar		Banquets		Total	
	Selling Price	Cost Price	Selling Price	Cost Price	Selling Price	Cost Price	Selling Price	Cost Price
INVENTORY at BEGINNING of PERIOD								
ISSUES for PERIOD								
TOTAL ACCOUNTABILITY								
LESS: INVENTORY AT END OF PERIOD								
BALANCE								
SALES								
① Difference								
RECONCILIATION OF DIFFERENCE:								
FULL BOTTLE ALLOWANCES								
TOTAL								
② Difference as above								
Net Difference for Period over or Short								

Controller

.....

[illegible]

0044259077

Rappaport, M.

Accounting control...

AUG 29 1936

Elisabeth Morse
1380 Lexington Ave

Sept. 12

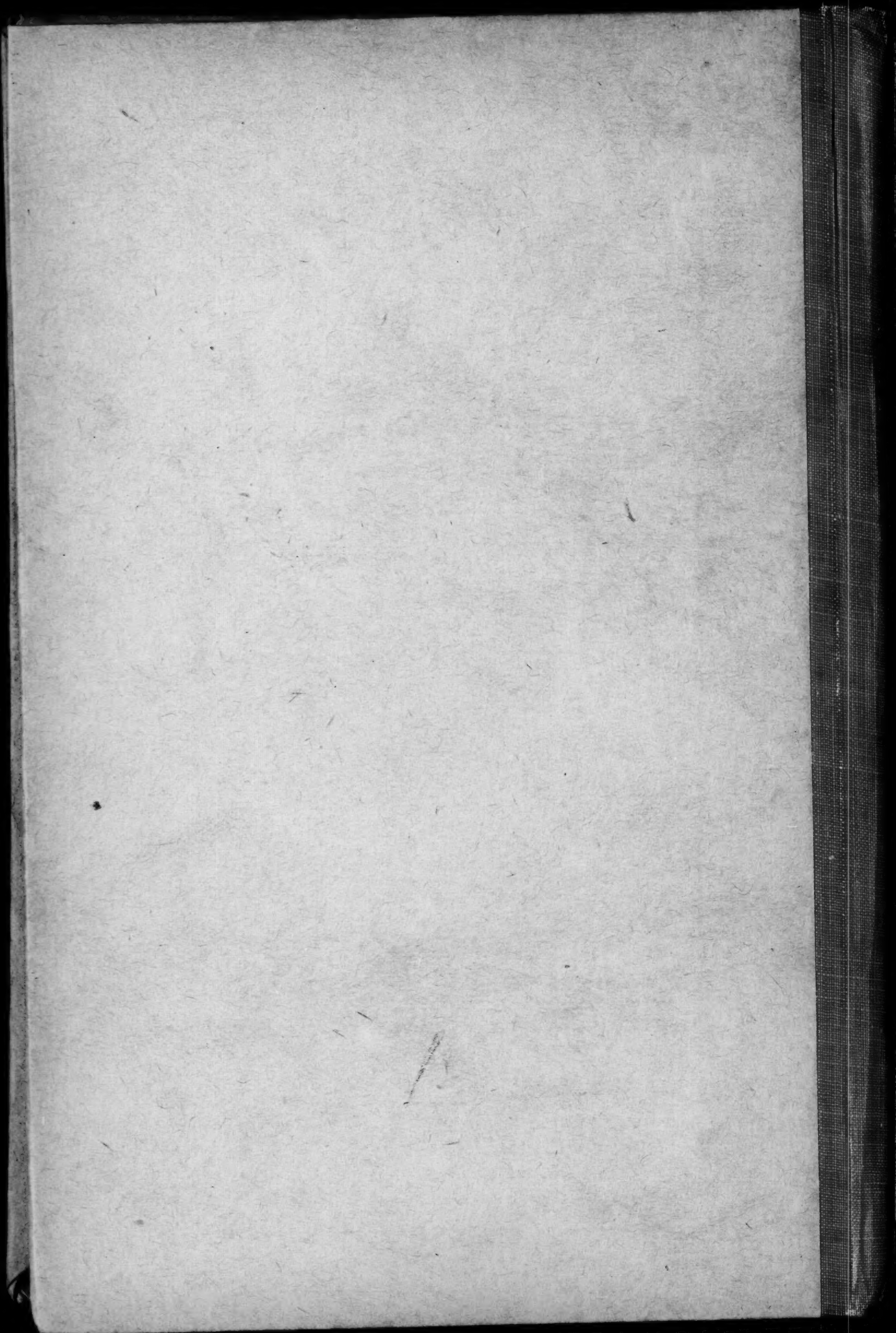
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MAR 28 1994

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JAN 22 1935



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TITLE**